

**QUARTERLY ACCOUNTS
FOR THE FIRST QUARTER
ENDED SEPTEMBER 30, 2019
(UN-AUDITED)**



ARUJ INDUSTRIES LTD.



COMPANY INFORMATION

BOARD OF DIRECTORS

- 1. Mr. Maqsood Ahmad Butt FCA : Chair Person
- 2. Mr. Faisal Khan : Chief Executive
- 3. Mrs. Naseem Maqsood Butt : Director
- 4. Mr. Ali Maqsood : Director
- 5. Mrs. Durray Zara Butt : Director
- 6. Dr. Aruj Butt : Director
- 7. Muhammad Saeed Akhtar : Director

CHIEF FINANCIAL OFFICER

Mrs. Durray Zara Butt

COMPANY SECRETARY

Mr. Muhammad Sajjad Hussain

SHARE REGISTRARS

M/s. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K , Commercial
Model Town Lahore.
Tel: 35839182, 35869037

LEGAL ADVISOR

Mr. Mian Waheed Akhtar,
Advocate High Court/ Supreme Court
Lahore.

AUDITORS

M/s. Qadeer & Co.
Chartered Accountants,
32-A Lawrence Road,
Lahore.

REGISTERED OFFICE

2-KM Off Raiwind-Manga Road,
Raiwind, Lahore.
Tel: (92 - 42) 35393125-6, 38102800
Fax: (92 - 42) 35393127
E-mail: info@aruj.com
Website: www.aruj.com

AUDIT COMMITTEE

Muhammad Saeed Akhtar	Chairman
Mr. Maqsood Ahmad Butt FCA	Member
Mr. Ali Maqsood Butt	Member

REGISTERED OFFICE

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HR & REMUNERATION COMMITTEE

Muhammad Saeed Akhtar	Chairman
Mrs. Naseem Maqsood Butt	Member
Dr. Aruj Butt	Member

BANKERS

Standard Chartered Bank (Pakistan) Ltd.
Habib Bank Limited.
Bank Alfalah Limited.
Bank of Punjab.
JS Bank Limited.
Faysal Bank Limited.
Meezan Bank

**DIRECTOR'S REPORT**

The Directors of Aruj Industries Ltd would like to present the unaudited accounts of the 1st Quarter ended 30th September, 2019. In brief, the results are as follows:

	3 Months ended Jul, 19 to Sep, 19 Rupees In Million	3 Months ended Jul, 18 to Sep, 18 Rupees In Million
Net Sale	246.080	253.697
Net Profit before Taxation	5.107	2.679
Earnings per Share	0.34	0.18

The first quarter of the current financial year happened to coincide with the textile sector exiting the zero rated tax facility it had enjoyed in the past years. While having a small impact on our processing business, we see this as corrected by the start of the second quarter as business activities return to their normal level. In the Apparel Unit, we have seen an increase in sales volume, and this trend shall only grow in the rest of the year.

There were some issues that have arisen since the elimination of SRO 1125, which we believe most businesses have overcome, and thus have a positive outlook. The Pakistani Rupee has maintained its value, and we do see an increase in a demand for products from Pakistan, not only garments but processed fabric as well. We are hoping the government will be true to its words and facilitate the industry with timely return of dues as so we do not face working capital shortfalls in view of the increased demand.

The Board would like to put on record its gratitude to its values shareholders, customers and raw materials suppliers whose cooperation, constant support and patronage have enabled us to achieve our desired results. The Board would also like to express its thanks to the Executives, staff members and especially the Workers of your Company, who have loyally worked with utmost effort to make this all

For and on behalf of the Board

Lahore:
30th October, 2019

FAISAL KHAN
Chief Executive Officer

ڈائریکٹرز رپورٹ

آپ کی کٹنی عروج اعظم سٹریٹیجی کے ڈائریکٹرز کٹنی کے 30 ستمبر 2019 کو ختم ہونے والی ترمیم شدہ اکاؤنٹس پیش کرنا چاہیں گے۔ مختصر آئٹمز اس طرح ہیں۔

سہ ماہی اختتام جولائی 2018 سے ستمبر 2018	سہ ماہی اختتام جولائی 2019 سے ستمبر 2019	
روپے بلین میں	روپے بلین میں	
253.69	246.080	کل فروخت
2.679	5.107	مناہجہ فیکٹیشن سے پہلے
0.18	0.34	نی شیئر آمدنی

موجودہ مالی سال کی پہلی سہ ماہی کا، فیکٹری کے گزشتہ برس کی پہلی سہ ماہی جس میں زبردستی کی سہولت موجود تھی، سے موازنہ ہے۔ ہمارے پروسیجرنگ کے کاروبار پر تھوڑا سا اثر پڑا ہے، جو کہ دوسری سہ ماہی کے آغاز سے ہی اس میں بہتری آجائے گی۔ کیونکہ کاروباری سرگرمیاں اپنی معمول کی سطح پر واپس آجائیں گی۔ لمبوسات یونٹ میں، ہم نے فروخت کے حجم میں اضافہ دیکھا ہے، اور یہ رجحان بقیہ سال میں بھی جاری رہے گا۔

جو معاملات ایس آر او 1125 کے خاتمے کے بعد پیدا ہوئے ہیں، ان پر ہمارا خیال ہے کہ بیشتر کاروباروں نے قابو پایا ہے، اور اس طرح سے یہ ایک مثبت نقطہ آغاز ہے۔ پاکستانی روپے نے اپنی قدر برقرار رکھی ہے، اور ہم دیکھتے ہیں کہ پاکستان سے نہ صرف گارمنٹس بلکہ پروسیجرنگ کے مصنوعات کی طلب میں بھی اضافہ ہوگا۔ ہم امید کر رہے ہیں کہ حکومت اپنے وعدوں کا پاس کرے گی اور واجبات اربنیز کی بروقت واپسی کرے گی کیونکہ بروقی طلب کے پیش نظر ہمیں ورکنگ سرمائے میں کمی کا سامنا نہیں کرنا پڑے گا۔

کٹنی کی انتظامیہ، ملازمین کی محنت اور لگن سے کام کرنے کیلئے تعریف کے مستحق ہیں، ہم اپنے قابل قدر حصص یافتگان، گاہکوں، سپلائرز اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکر گزار ہیں۔

پورڈ کی جانب سے:-

فیصل خان

چیف ایگزیکٹو

لاہور

موری: 30 اکتوبر 2019

**BALANCE SHEET
AS AT SEPTTEMBER 30, 2019**

	(UN-AUDITED) Sep., 30, 2019 Rupees	(AUDITED) June 30, 2019 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Capital 12,500,000 ordinary shares of Rs. 10/- each	<u>125,000,000</u>	<u>125,000,000</u>
Issued, Subscribed & Paid up Capital:	<u>104,578,900</u>	104,578,900
Capital Reserve	<u>100,000,000</u>	100,000,000
Retained earning	<u>92,123,084</u>	88,547,611
	296,701,984	293,126,511
NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	<u>18,778,543</u>	19,806,082
Director Loan	<u>87,368,538</u>	87,868,538
Deferred liabilities	<u>49,525,182</u>	49,525,182
	155,672,263	157,199,802
CURRENT LIABILITIES:		
Short Term Finance	<u>461,553,086</u>	419,375,247
Current maturity of Finance Lease	<u>26,539,403</u>	32,101,632
Trade and other payable	<u>410,657,825</u>	407,381,371
Unclaim Dividend	<u>2,290,218</u>	2,290,218
Accrued Markup of short term loans-secured	<u>3,039,023</u>	8,956,522
Provision for Taxation	<u>9,973,117</u>	8,440,771
	<u>914,052,671</u>	<u>878,545,761</u>
CONTINGENCIES AND COMMITMENTS	-	-
	<u>1,366,426,918</u>	<u>1,328,872,074</u>
PROPERTY PLAND AND EQUIPMENT		
Operating Fixed Assets - Tangible		
At Written down value	425,209,292	431,855,040
CAPITAL WORK IN PROGRESS - P & M	25,213,388	25,213,388
LONG TERM SECURITY DEPOSITS	9,062,666	9,262,666
CURRENT ASSETS:		
Stores and spares	<u>18,093,369</u>	13,296,746
Stock in trade	<u>304,016,105</u>	259,949,572
Trade Debts	<u>356,948,021</u>	424,327,185
Loan & Advances	<u>128,781,496</u>	104,848,384
Trade deposits & Short Term pre-payments	<u>816,280</u>	450,446
Other Receivable	<u>72,490,634</u>	49,721,041
Cash and bank balances	<u>25,795,667</u>	9,947,606
	<u>906,941,572</u>	<u>862,540,980</u>
TOTAL ASSETS	<u>1,366,426,918</u>	<u>1,328,872,074</u>

Chief Executive

Director

Chief Financial Officer

**PROFIT AND LOSS ACCOUNT (UN - AUDITED)
FOR THE FIRST QUATER ENDED
SEPTEMBER 30, 2019**

	Jul-19 To Sep-19 Rupees	Jul-18 To Sep-18 Rupees
Sales - net	246,080,989	253,697,977
Less: Cost of sales	(214,577,914)	(230,814,420)
Gross Profit	31,503,075	22,883,557
Less: Operating expenses:		
Administrative and General	(8,667,935)	(8,004,957)
Selling and Distribution	(5,675,326)	(5,163,232)
	(14,343,261)	(13,168,189)
Operating profit / (loss)	17,159,814	9,715,368
Finance Cost	(11,783,163)	(7,880,528)
	5,376,651	1,834,840
Add: Other income	-	985,250
	5,376,651	2,820,090
Workers' profit participation fund	(268,833)	(141,004)
Profit / (loss) before taxation	5,107,819	2,679,086
Provision for taxation	(1,532,346)	(776,935)
Profit / (loss) after taxation	3,575,473	1,902,151
Earnings per share - basic	0.34	0.18

**CASH FLOW STATEMENT (UN-AUDITED)****FOR THE FIRST QUATER ENDED
SEPTEMBER 30, 2019**

	September. 30, 2019 Rupees	Septembr. 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	5,107,819	2,679,085
Adjustments for:		
Depreciation	9,054,469	8,465,829
Financial Charges	11,783,163	7,880,528
W.P.P.F	268,833	-
	<u>21,106,465</u>	<u>16,346,357</u>
Cash Folw Before Working Capital Changes	26,214,283	19,025,443
Working Capital Changes		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools and	(4,796,623)	(1,109,126)
Stock in trade	(44,066,533)	(35,885,900)
Trade debts	67,379,164	12,846,911
Loan and advances	(23,933,112)	(14,671,916)
Trade deposits and short prepayments	(365,834)	92,429
Other Receivables	(22,769,593)	(10,194,766)
Increase/ (decrease) in current liabilities		
Trade and other payables	3,007,621	13,114,693
	<u>(25,544,910)</u>	<u>(35,807,675)</u>
Cash Generated from Operations	669,373	(16,782,232)
Financial Cost Paid	(17,700,662)	(10,167,033)
Dividend paid	-	
Net Cash inflow /(outflow) from operating activities	<u>(17,031,289)</u>	<u>(26,949,265)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Security Deposits	200,000	-
Fixed capital expenditure	(2,408,721)	(22,712,868)
Capital Work In Progress	-	(2,048,561)
Net Cash inflow /(outflow) from Investing activities	<u>(2,208,721)</u>	<u>(24,761,429)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long Term loans (Paid)/Received	(500,000)	(1,500,000)
Payment of liabilities against assets subject to finance lease	(6,589,768)	7,071,395
Net Cash inflow /(outflow) from Financing activities	<u>(7,089,768)</u>	<u>5,571,395</u>
Net (Increase) / Decrease in cash and cash equivalents	(26,329,778)	(46,139,299)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>(409,427,641)</u>	<u>(388,043,186)</u>
CASH AND CASH EQUIVALENTS AT THE END OF FIRST QUARTER A	<u>(435,757,419)</u>	<u>(434,182,485)</u>
A CASH AND CASH EQUIVALENTS		
Short term finance	(461,553,086)	(444,843,023)
Cash and Bank balances	25,795,667	10,660,538
	<u>(435,757,419)</u>	<u>(434,182,485)</u>



STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Share Capital Rupees	Rupees		Total
		Capital Reserves Rupees	Un-appropriat- ed Profit Rupees	
Balance as at July 01.2018	104,578,900	100,000,000	74,807,554	279,386,454
Net Profit for 3 Months upto September 30 , 2018			1,902,151	1,902,151
Balance as at .September 30,2018	<u>104,578,900</u>	<u>50,000,000</u>	<u>76,709,705</u>	<u>281,288,605</u>
Balance as at July 01.2019	104,578,900	100,000,000	88,547,611	293,126,511
Net Profit for 3 Months upto September 30, 2019			3,575,473	3,575,473
Balance as at .September 30,2019	<u>104,578,900</u>	<u>100,000,000</u>	<u>92,123,084</u>	<u>296,701,984</u>


1. These Accounts are un-audited and are being presented as required under the Companies Act 2017.
2. The accounting policies adopted for the preparation of the third Quarter Accounts are the same as those applied in the preparation of the preceding annual published accounts for the year ended June 30. 2019 of the company
3. Figures for previous period have been re-arranged where-ever necessary, for the purpose of comparison and have been rounded off to the nearest rupee.

	September 30 2019 Rupees	September 30 2018 Rupees
4 Basic Earning per Share		
Net Profit for the Nine months	3,575,473	1,902,151
Number of Ordinary Shares	10,457,890	10,457,890
Earning per Share (Rs.)	0.34	0.18

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